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RENT-Control Through Local Ordinance

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Official Title and Summary Prepared by the Attorney General

RENT. INITIATIVE CONSTITUTIONAL AMENDMENT. Declares rent control to be matter of local government concern. Provides that rent control shall be imposed only by vote of the people through enactment of local ordinances. Prohibits state-enacted rent control. Permits annual rent increases based on Consumer Price Index and additional increases based on other specified factors. Requires that rent control ordinance establish a commission to resolve grievances involving rent increases. Exempts specified types of rental units from rent control. Prohibits landlord retaliation for exercise of tenant's rights. Repeals existing rent control ordinances as of date of next election. Fiscal impact on state or local governments: No state fiscal effect. Minor increases in local election expenditures. Possible increase in local government costs to administer landlord/tenant grievances.

Analysis by Legislative Analyst

Background:

There is no state law which specifically regulates or controls the prices which persons may be charged to rent privately owned residential housing units. Under general regulatory powers, the legislative bodies of cities and counties may adopt ordinances to regulate and control rents. As of January 1, 1980, 18 cities and counties had adopted some form of rent control.

Proposal:

This proposition would amend the State Constitution to:

- Declare that rent control is a matter of local government concern and prohibit the state from taking any action to control rents.
- Prohibit local governments from adopting rent control except by an ordinance approved by a vote of the people in the local jurisdiction.
- Require that each rent control ordinance approved by the voters expire no later than four years after its adoption (although subsequent ordinances could be enacted or reenacted).
- Make all existing rent control ordinances which were adopted prior to the effective date of this measure inoperative after the next local election.

The following types of rental units would be exempt from rent control ordinances:

1. Single-family residential units. Two or more units owned by the same owner in the same project would *not* be exempt.
2. Units subject to a transient occupancy tax such as hotels and motels.
3. Newly constructed units which are first occupied by tenants after the effective date of this proposition.
4. Units in publicly financed, insured, or subsidized multifamily housing projects when rents are subject to control resulting from such financing, insurance, or subsidy.

Furthermore, units that are voluntarily vacated by tenants would be exempt from control until after they are rented again. If a tenant is forced to move because of nonpayment of rent, the unit would be exempt from control until it is rented again.

The proposition further requires all rent control ordinances to provide (1) uniform criteria under which landlords could increase rent and (2) a commission to resolve grievances.

Criteria for Allowing Rent Increases. Each local ordinance would be required to allow landlords to increase rents at the same rate as the annual increase in the Consumer Price Index. Each local ordinance would also be required to contain standards permitting additional increases above those based on the Consumer Price Index, including, but not limited to, those to pay for (1) the cost of property improvements over a reasonable period of time and (2) extraordinary cost necessary to meet code requirements. Each ordinance also would be required to establish procedures for additional increases to be granted by the commission to compensate for prior periods during which rents were not increased up to the Consumer Price Index, for increased user fees, for hardship conditions, and for a fair rate of return.

Commission to Resolve Grievances. Each local ordinance would be required to establish an appointive, representative commission to resolve landlord/tenant grievances which result from rent increases in excess of the Consumer Price Index and/or the standards provided in the ordinance. The commission would have the authority to adjust the amount of rent increases on a case-by-case basis, and to require the holding of disputed rent increases in a trust fund until the resolution of the dispute.

Other provisions of this proposition permit, but do not require, local rent control ordinances to provide (1) sanctions and penalties for rent increases not made in good faith, (2) rent decreases or rollbacks that do not reduce rents below the allowable increases, had the local ordinance been in effect on July 31, 1979, or two years prior to the effective date of the rent control ordinance, whichever is later, and (3) rent adjustments for mobilehomes that are sold to new owners.

Fiscal Effect:

The proposition has no state fiscal effect but may affect local expenditures in two ways:

First, there may be additional local expenditures for elections because the proposal makes rent control ordinances subject to a vote of the people in the local jurisdiction. These costs would be minor, however, because the rent control proposals could be incorporated into normal election procedures.

Second, there could be an increase in local administrative costs because the proposition requires the establishment of a commission to resolve landlord/tenant grievances. The fiscal impact of this administrative requirement would depend on the number and complexity of complaints to be reviewed.

Text of Proposed Law

This initiative measure expressly amends the Constitution by adding a section thereto; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE XI

ARTICLE XI § 7½

FAIR RENT CONTROL STANDARDS

SECTION (a) [Findings and Declarations.] The People of the State of California find and declare that the enactment of fair rent control regulations is appropriately a matter of local government concern. If such regulations are improperly defined, administered or applied at the local level, a number of adverse impacts may result, including: reduction in the supply of available housing; reduction in the quality of existing housing; increased government administrative costs; increased burden on the courts from numerous housing related lawsuits; less economic opportunity and reduction in the number of available jobs; and tax increases to fund the local costs of rent control programs. It is necessary for the people to enact this amendment to the Constitution of the State of California to occupy exclusively the field of regulation of residential property rents by establishing that all controls be by enactment of local ordinances which ordinances shall be consistent with this article so as to benefit all the people of California.

SECTION (b) [Local Ordinances.] Rent control shall be imposed only by a vote of the people of a local jurisdiction through enactment of an ordinance, which ordinance shall be consistent with this article. The state shall not enact rent control. Each ordinance enacted pursuant to this article shall expire no later than four (4) years after the adoption of the ordinance, but subsequent ordinances regulating rent increases may be enacted or re-enacted pursuant to this article.

SECTION (c) [Commission.] An ordinance enacted pursuant to this article shall establish an appointive, representative commission to resolve grievances which result from rent increases in excess of the consumer price index and/or the standards provided in the ordinance. Upon receipt of a petition from a tenant, the commission shall notify the landlord and may require that the landlord pay the portion of rent increase received in excess of the consumer price index into a trust fund to be held until resolution of the matter by the commission.

The commission shall have the power to review rent increases and decreases on a case-by-case basis and, if necessary, to adjust the individual rent to conform to the standards adopted by the ordinance and to adjust or approve increases above the standards in cases of hardship.

Any petition for judicial review of a commission decision shall be filed within sixty (60) days of such decision. The ordinance may provide penalties and/or sanctions for rent increases not made in good faith and for an unconscionable rent increase made prior to a commission decision on such increase.

Nothing in this article shall deprive a landlord or tenant of remedies as provided by law, nor shall the fact that a petition is pending before the commission be a defense in an unlawful detainer action.

SECTION (d) [Allowable Rent Increases.] A landlord shall be permitted to increase rents. Annual rent increases up to an amount whereby the increase equals the average increase in the consumer price index for the published preceding twelve (12) calendar months and additional rent increases within standards established by the ordinance, including but not limited to those to compensate for reasonable amortization of improvements and extraordinary costs necessary to conform to code requirements shall be permitted.

The ordinance shall establish procedures for the commission to approve or adjust or deny additional rent increases to compensate for prior periods during which rents were not increased up to the consumer price index, for increased user fees, for hardship situations and for a fair rate of return.

SECTION (e) [Allowable Rent Decreases or Rollbacks.] An ordinance enacted pursuant to this article may allow for decrease of rents in existence on the effective date of the ordinance, provided, however, that the ordinance shall not decrease existing rents below that rent which would have been permitted by Sections (d) and (g) of this article, as if the ordinance had been in effect on July 31, 1979, or two years prior to the effective date of the ordinance, whichever date is most recent.

SECTION (f) [Rental Units Not Subject to Rent Control.] The following rental units shall not be subject to rent control or to the provisions of an ordinance enacted pursuant to this article:

- (1) Single family residential units.
- (2) Rental units subject to a transient occupancy tax.
- (3) Newly constructed rental units which are first occupied by tenants subsequent to the effective date of this article. Such exemption shall apply for the life of the rental unit.

SECTION (g) [Vacated Rental Units.] A rental unit which is voluntarily vacated at any time subsequent to the effective date of an ordinance enacted pursuant to this article, shall not be subject to rent control or the provisions of an ordinance enacted pursuant to this article. After reletting thereof, such rental unit may again become subject to the provisions of such ordinance.

An ordinance enacted pursuant to this article may provide that upon the resale of a mobile home the landlord, tenant and/or the parties to the sale may petition the commission for an adjustment of the rent. In making its decision the commission shall take into consideration the value of the mobile home.

SECTION (h) [Exception.] Units in multi-family housing projects financed or insured by a federal, state or local agency or receiving rent subsidy assistance therefrom, when such rental units in such multi-family housing projects are subject to rent controls resulting from such financing, insurance or subsidy, shall not be subject to this article.

SECTION (i) [Conformity with State Law.] No local jurisdiction shall continue in force any existing rent control after the next election in that jurisdiction following adoption of this article.

SECTION (j) [Contractual Obligations.] An ordinance enacted pursuant to this article shall not impair the validity of existing contractual obligations affecting a rental unit entered into on or before July 31, 1979, or two years prior to the effective date of the ordinance, whichever date is most recent.

SECTION (k) [Retaliatory Eviction.] No landlord shall retaliate against any tenant for the tenant's exercise of rights provided for by an ordinance enacted pursuant to this article.

SECTION (l) [Definitions.] For the purposes of this article the meaning of terms used in this article, shall be as follows:

(1) "Consumer price index" means the consumer price index for all items for all Urban Consumers for the United States as compiled by the United States Department of Labor, Bureau of Labor Statistics, or if such index is unavailable, an equivalent standard.

(2) "Improvements" means a valuable addition or change in a rental unit's condition, amounting to more than mere repairs which addition or change necessitates the expenditure of substantial labor or capital, and which is intended to enhance significantly the value, beauty, utility or safety of a rental unit.

(3) "Local jurisdiction" means a city, county, and city and county, including any charter city or city and county.

(4) "Rent" means any consideration, monetary or otherwise, demanded or received for the use or occupancy of any rental unit, not including deposits.

(5) "Rent control" means any state or local governmental action including legislation, ordinance, order or other action which attempts to or in fact does freeze, reduce, restrict, limit, rebate or otherwise control the amount of rent demanded or received for the use or occupancy of any rental unit.

(6) "Rental unit" means any building, mobile home, structure or part thereof, or land appurtenant thereto or other real property including a lot or space in a mobile home park, rented or offered for rent for living or dwelling purposes.

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Argument in Favor of Proposition 10

Californians must act swiftly and positively to provide a sensible solution to a crisis that has put the citizens of this state in a ridiculous situation.

Renters want to rent, builders want to build, construction workers want to work, investors want to invest, and lenders want to lend. Yet, the shortage of rental housing in our population centers becomes worse every day.

Jobs are being lost, millions of dollars in investment funds are being diverted to other states, and thousands of Californians are being deprived of affordable housing.

If the demand is there and the willingness to increase the supply is there, why haven't the natural forces of the marketplace increased the supply to meet the demand? Because ill-conceived, *unrestricted* rent controls have been permitted to replace those natural forces.

Construction of apartments and mobilehome parks in California has virtually stopped simply because long-term building investments can be turned into financial disasters by an excessive rent regulation or change in existing law.

California renters not only must have a place to rent, they must have a means to be protected against rent gouging and unjustified eviction by unscrupulous landlords. Equally, property owners are entitled to a fair return on their investments.

Both sides must be protected against the unfair and punitive schemes promoted under false banners by political opportunists.

Proposition 10—the Rent Amendment—provides those protections in a sensible solution that will stimulate construction, create jobs, and return competition to the rental marketplace.

Proposition 10 is not a rent control law, nor is it in any way a prohibition against local rent control laws. It establishes in the California Constitution certain *standards*—uniform

procedures—to which local rent control ordinances must comply. For example, it:

- Establishes the Consumer Price Index—the accepted measure of inflation—as the primary basis for annual rent increases.
- Prohibits owners from retaliating against a tenant for exercising his or her rights.
- Requires appointment of local rent commissions to act on grievances.
- Provides that rent control laws may be enacted only by the voters of a city or county; puts rent control in the hands of the people—not the politicians.
- Exempts from rent control newly constructed facilities to encourage new housing.

The full text of the amendment appears elsewhere in this pamphlet. We urge you to read it and decide on your own whether this is a sensible solution.

You will find Proposition 10 is fair to both sides.

It will make more apartments and other rental units available, protect tenants against rent gouging and retaliation, provide needed jobs, insure local control over rents, and eliminate the obstructions fostered by political schemers.

A YES vote for Proposition 10 is a vote for the good of *all* Californians.

JAMES S. LEE
President, State Building and Construction Trades Council
(AFL-CIO)

DIXON ARNETT
Vice President, Public Affairs Research
Claremont Men's College

JACK F. ANIGAN
Executive Director, California Housing Council

Rebuttal to Argument in Favor of Proposition 10

If Proposition 10 becomes part of the State Constitution, the only real winners will be the few who are spending so much money to further their own special interests. Proposition 10 does *absolutely nothing for renters*.

Proposition 10 is not what it seems. If you carefully read Proposition 10 you will find that it:

- Does not "protect tenants against rent gouging and retaliation." In fact, *it would eliminate existing protections* and make effective future protections impossible.
- Does not "insure local control" of housing. In fact, *it would eliminate local control* and force every community to conform to the same "uniform procedures," regardless of unique local needs or local voters' desires.
- Does not provide a single new rental unit or home or create a single new job.

This deceptive measure also does nothing about sky-high interest rates or the high cost of land and construction, the major causes of the housing shortage.

Everyone agrees we need more housing. California's housing problems have reached critical proportions, and renters,

especially senior citizens and the poor, are the hardest hit.

However, far from being a solution, Proposition 10 would only aggravate the situation. Renters and mobilehome owners would pay much higher rents, and homeowners would see even more speculation and neighborhood destruction.

We hope that you will join us in trying to find genuine solutions to California's housing shortage. Please also join us in saying *NO* to rent gouging, increased speculation and the manipulation of the State Constitution for the financial benefit of a few.

Please vote *NO* on Proposition 10.

Tom BRADLEY
Mayor, City of Los Angeles

David A. ROBERTI
State Senator, 23rd District
Senate Majority Leader

Paul TEILHET
President
California Federation of Teachers (AFT), AFL-CIO

Argument Against Proposition 10

Proposition 10 is not what it appears to be. It *eliminates* local controls over housing. It *throws out* current rent control laws passed by local officials and the voters. It denies renters their fair share of Proposition 13 benefits. It builds needless bureaucracy, not housing. It requires *expensive* and *unnecessary* elections. Don't be confused. The facts are clear.

Since the passage of Proposition 13, many cities have passed laws to make sure that renters share in Proposition 13 benefits. Los Angeles, San Francisco, San Jose and over one dozen other cities have passed modest rent relief measures. This initiative *throws out* all these laws. It denies the benefits of Proposition 13 to millions of senior citizens, mobilehome owners, and other renters.

This measure denies local control over important housing issues. It claims to enable local government to establish fair rent regulations. In fact, it does the opposite. It *prevents* local government from acting to protect its citizens. And it encourages *highly inflationary* rent increases.

Proposition 10 will:

- Require expensive and unnecessary local elections;
- Invalidate mobilehome rent guidelines of vital importance to nearly one million retirees and other mobilehome owners;
- Create unnecessary local bureaucracies;
- Destroy many community housing programs designed to rehabilitate neighborhoods and help the elderly; and
- Encourage speculation in housing, which has been destructive to so many neighborhoods.

The sponsors claim this measure will add new construction. Current rent regulations *already exempt new construction*. In fact, this measure will interfere with new construction programs currently underway. And this measure will not build a single new home or apartment.

This measure is entirely unnecessary. Local government

already has the ability to do what Proposition 10 provides. But this measure *dictates* what local government must do, *even if the voters choose otherwise*. It requires "rent commissions" which are not allowed to provide any real protection to renters. It *requires* elections to enact laws which provide no benefits to anyone. And it places these requirements in the California Constitution.

Eleven million Californians rent their homes. Their average income is half that of homeowners. Runaway inflation in housing has made it extremely difficult for ordinary families to find decent, affordable housing. Proposition 10 eliminates the ability to control inflation in housing. Even when costs stay the same or go down, cities will be forced by Proposition 10 to permit rent raises faster than the general rate of inflation.

Don't be deceived. The sponsors of Proposition 10 are not renter or homeowner groups. They are the largest landlords in the state. Their law is deceptively worded to sound reasonable. But it only benefits the special interests and eliminates many hard-won protections which renters already have.

This law circumvents the democratic process. For many years, our cities have developed housing policies which fit their own needs. Now, the real estate industry is trying to take that control away. Join us in working for better housing for all Californians. Vote no on Proposition 10.

TOM BRADLEY
Mayor, City of Los Angeles

DAVID A. ROBERTI
State Senator, 23rd District
Senate Majority Leader

RAOUL TEILHET
President
California Federation of Teachers (AFT), AFL-CIO

Rebuttal to Argument Against Proposition 10

Those who seek to prevent establishment of standards that will prohibit rent gouging and provide a sensible solution to California's critical rental shortage have based their argument on statements that are contrary to fact.

They claim Proposition 10 denies local control. It does the opposite. Rent controls could be enacted only by a vote of the local people; statewide control would be prohibited.

They claim it would encourage inflationary rent increases. It does the opposite. Annual rent increases that exceed the rate of inflation (CPI) could be disallowed. Retaliation evictions would be prohibited.

They claim Proposition 10 would create local bureaucracies. It would not. Some unrestricted rent ordinances now require expensive rental unit registrations. Proposition 10 doesn't. It requires only that local ordinances establish appointive commissions to act on grievances.

They claim Proposition 10 would not increase construction and would encourage speculation. It would do the opposite. Its assurance of amortization and fair return on investment

encourages construction of rental properties and provides incentives to build and retail rental structures.

Because conditions change, local ordinances would expire and could be updated after four years.

Local voters—not governmental bureaucracies—would create and *control* all rent regulations.

Proposition 10 is a sensible compromise that protects both tenant and owner. It will stimulate the construction necessary to restore competition to the rental marketplace. To end our current chaos, vote YES.

JAMES S. LEE
President, State Building and Construction Trades Council
(AFL-CIO)

DIXON ARNETT
Vice President, Public Affairs Research
Claremont Men's College

JACK FLANIGAN
Executive Director, California Housing Council

an agricultural water conservation project. The department may also enter into an agreement to pay the interest due on any such loan for the first two repayment years. No guaranty of a loan or agreement to pay interest under this section may be made for any loan that would cause the liability limit specified in subdivision (b) to be exceeded, or for any loan which permits full repayment in more than 20 years, or for any loan the principal of which exceeds fifty thousand dollars (\$50,000), except that such maximum amount may be adjusted annually to reflect the annual percentage increase in the California Consumer Price Index as compiled and reported by the Department of Industrial Relations.

(b) Four million dollars (\$4,000,000) of the twenty-five million dollars (\$25,000,000) available for loan guaranties and loan interest payments shall be immediately set aside in an interest-bearing loan default contingency account and reserved exclusively for the purpose of indemnifying qualified lenders, under the terms of this section, in cases of default on guaranteed loans. This amount constitutes the total and sole recourse for indemnity, by the State of California, of lenders under the loan guaranty provisions of this article.

34142. As used in this article, "water conservation project" means any facility, system, or land modification to improve the application, conveyance, or recycling of water, which may include, but is not limited to, drip irrigation systems, sprinkler irrigation systems, channel lining, leveling of irrigated fields, and tail water recovery.

34143. The priority of projects to be assisted under this article shall be determined by the Department of Water Resources, but highest priority shall be assigned to projects reducing evapotranspiration to the maximum extent possible without undue reduction of wildlife habitat, reducing nonbeneficial wastewater discharges to saline water bodies, and increasing the use of brackish ground and drainage waters for irrigation. Among the projects assigned high priority pursuant to this section, the department shall further assign priority among individual projects on the basis of those projects that will be undertaken in areas where water conservation will bring about reduction of groundwater overdraft or augmentation of supply for instream water use.

34144. An applicant may qualify for financial assistance under this article if his or her principal source of income is from agricultural production.

34145. The applicant shall agree to proceed expeditiously with, and to complete, the project. Any agreement or guaranty made pursuant to this article may include such other provisions as may be agreed upon by the parties.

34146. An amount, not to exceed seventy-five thousand dollars (\$75,000), may be appropriated annually, from funds available pursuant to subdivision (b) of Section 34125, in the manner provided in Section 34015, to the Department of Water Resources for expenditure for the administration of this article.

34147. The Department of Water Resources shall report to the Legislature in 1983, and every fifth year thereafter for the life of the program, on the water savings, energy savings, cost effectiveness, other environmental effects, and such other matters relating to the water conservation projects financed pursuant to this article as it deems appropriate. The cost of studies necessary for such reports shall be paid out of the appropriation made pursuant to Section 34146.

Article 4. Agricultural Wastewater Collection

34160. The Legislature hereby finds and declares that the disposal of agricultural wastewater is now and will increasingly become a matter of serious statewide concern. Natural drainage in some areas is inadequate to maintain permanent agricultural productivity on irrigated lands. In order to safeguard the agricultural productivity of soils in such areas and in order to protect the quality of water in groundwater basins and in surface streams, the Legislature declares

that it is the policy of the state to provide financial assistance for collector systems for the safe and efficient disposal of agricultural wastewater from on-farm drainage systems to central wastewater disposal facilities.

34161. The Department of Water Resources may enter into agreements with local public agencies for loans to aid in the construction of collector systems to transport agricultural wastewater to central wastewater disposal facilities. No loan may exceed four hundred thousand dollars (\$400,000), for a collector system, or one million dollars (\$1,000,000) for both a collector system and central wastewater disposal facility. All loan funds shall be repayable, with interest, within 20 years. Interest shall be at a rate equal to the average, as determined by the department, of the net interest cost to the state on the sales of general obligation bonds pursuant to this division. Repayment of the loan principal and interest due thereon shall be deferred for the first five repayment years. Repayment of the deferred principal and interest may, at the option of the public entity, be paid in annual installments during the remainder of the loan repayment period.

34162. As used in this article, the following terms have the following meanings:

(a) "Central wastewater disposal facility" means any of the following facilities that receive agricultural wastewater from the immediate vicinity of the lands where collected:

(1) Evaporation ponds or marshlands.

(2) A desalting facility.

(3) Any facility for the beneficial reuse of agricultural wastewater.

(b) "Collector system" means any pipe, conduit, drain, or canal used to transport agricultural wastewater.

34163. (a) Loans shall be made for collector systems and central wastewater disposal facilities in agricultural areas that are adversely affected by excessively high, brackish water tables and in other areas that require the collection and disposal of saline or degraded water. The loans shall be limited to the construction, establishment, or improvement of such systems and facilities which will serve areas that currently have salt deposits to a degree that agricultural production is demonstrably affected or which will serve areas where the disposal of saline or degraded water is of substantial importance to agricultural operations. No loan may be made for a particular collector system unless the Department of Water Resources finds that the wastewater to be collected can be disposed of without having an adverse effect on any of the waters of this state. Before an agreement may be entered into, the applicant shall have first obtained the approval of the appropriate regional water quality control board for the proposed collector system as to suitability of the central wastewater disposal facility and as to other water quality criteria or requirements, as may be required by law.

(b) Whenever possible, wastewater transported through collector systems shall be put to, or made available for, beneficial reuse, including the creation of marshland wildlife habitat, recreational uses, reuse through desalting operations, or reuse of brackish drain waters as a substitute for freshwater supplies for irrigation of salt-tolerant crops.

34164. The applicant shall agree to proceed expeditiously with, and to complete, the collector system. Any agreement made pursuant to this article may include such other provisions as may be agreed upon by the parties.

34165. A revolving account may be established in the fund for the programs established by this article. Moneys repaid in discharge of a loan shall be deposited in the revolving account and shall be available for reappropriation for additional loans, in the manner provided in Section 34015.

34166. An amount, not to exceed thirty thousand dollars (\$30,000), may be appropriated annually, from funds available pursuant to subdivision (c) of Section 34125, in the manner provided in Section 34015, to the Department of Water Resources for expenditure for the administration of this article.

Text of Proposed Law—Proposition 10—Continued from page 35

(7) "Single family residential unit" means a single home, a single condominium or a single cooperative or community unit so long as the owner of such condominium or unit owns no more than one unit in any single building or complex.

(8) "Tenant" means any person who is obligated to pay any money or other consideration to a rental unit owner or tenant or other person for the use or occupancy of a rental unit.

(9) "Voluntarily vacated rental unit" includes any rental unit in which the vacancy is not the result of an eviction or of a landlord's refusal to renew a housing agreement, periodic tenancy or lease

agreement, other than for nonpayment of rent; a rental unit which is subleased or in which substitution of a tenant occurs, other than in accordance with the terms of an existing fixed term lease, is a voluntarily vacated unit.

SECTION (m) [Severability Provisions.] If any portion, section or clause of this article, or the application thereof to any person or circumstance, shall for any reason be declared unconstitutional or held invalid, the remainder of this article, or the application of such portion, section or clause to other persons or circumstances, shall not be affected thereby.